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/Proceedings: "At the 36th Session of the Council for Mutual Economic Assistance"/

/Text/ The countries of the socialist community have taken in 1981 a large step forward in implementing the tasks of the current five-year plan period, under the leadership of their communist and workers' parties, on utilizing the advantages of the socialist system of society and mobilizing their internal resources. An increasing role in the growth of the national economies of the CEMA member countries is being played by the further expansion of cooperation and socialist economic integration as well as by the broadening of their mutual production, scientific-technical and trade ties. This cooperation is becoming an increasingly important factor in strengthening the positions of the CEMA member countries in the world economy.

Aspects of deepening and expanding this cooperation were discussed at the 36th Session of the Council for Mutual Economic Assistance, held from 8 to 10 June 1982 in Budapest.

The participants in the work of the Session included the delegations of the CEMA member countries headed by: G. Filipov, Chairman of the Council of Ministers of the People's Republic of Bulgaria; D. Lazar, Chairman of the Council of Ministers of the Hungarian People's Republic; To Huu, Deputy Chairman of the Council of Ministers of the Socialist Republic of Vietnam; W. Stopf, Chairman of the Council of Minister of the German Democratic Republic; C. R. Rodriguez, Deputy Chairman of the Council of State and Deputy Chairman of the Council of Ministers, Republic of Cuba; J. Batmonh, Chairman of the Council of Ministers of the Mongolian People's Republic; W. Jaruzelski, Chairman of the Council of Ministers of the Polish People's Republic; C. Dascalescu, Prime Minister of the Socialist Republic of Romania; N. A. Tikhonov, Chairman of the USSR Council of Ministers; and L. Strougal, Premier of the Czechoslovak Socialist Republic.

Pursuant to the Agreement between CEMA and the Government of the Socialist Federated Republic of Yugoslavia, a Yugoslav delegation headed by Z. Dragan, Vice President of the Federal Executive Council of the SFRY, took part in the deliberations of the Session.

Delegations from the following countries attended the Session in the capacity of invited observers: People's Republic of Angola, headed by Lopo do Nascimento, Minister of Planning and Minister of Home Trade; Democratic Republic of Afghanistan, headed by A. M. Sarbuland, Deputy Chairman of the Council of Ministers and Minister of Information and Culture; People's Democratic Republic of Yemen, headed by M. Madhi, Minister of Finace; Lao People's Democratic Republic, headed by S. Vongkhamsao, Deputy Prime Minister and Chief of the National Planning Committee; People's Democratic Republic of Mozambique, headed by M. dos Santos, Secretary for Economic Affairs, Central Committee of the FRELIMO party; and Socialist Ethiopia, headed by Tane Gulilat, Deputy Chief Secretary of the Central Planning Council.

The Session was opened by comrade D. Lazar, Chairman of the 36th CEMA Session, who warmly welcomed the participants. He declared that it is characteristic of the CEMA Session agenda that, in accordance with the decisions of the communist and workers' parties of the member countries, it focuses its principal attention on development tasks and scientific and organizational aspects which are decisive to meeting the requirements of economic effectiveness and intensive development and assure the stability of planning in socialist countries.

He further declared that it is extremely important to accelerate the process of economic cooperation and broadly utilize the experience of the member countries. Only through united effort and only upon raising the level of performance can they accomplish the tasks facing them.

He also stated that in the current tense international situation the most reactionary circles of imperialism want to impose an unrestrained arms race on the world. They rudely attack the forces of socialism, peace and progress and attempt to intervene in the domestic affairs of other countries, employing means of political pressure and economic discrimination that have more than once proved their bankruptcy. They are trying to freeze the mutually advantageous economic relations between East and West.

Under these conditions, the socialist countries belonging in the CEMA alliance are now discussing problems of peaceful creative labor and possibilities for broadening multilateral economic cooperations and making concerted decisions.

The Session considered:

--the report of the CEMA Executive Committee on the activities of the Council during the period between its 35th and 36th sessions;

--the report on the implementation of the Agreement on Multilateral International Specialization and Co-Production as Well as Mutual Deliveries of Equipment for Nuclear Power Stations for the 1981-1990 Period;

--the report on the draft Program for the Coordination of the National Economic Plans of CEMA Member Countries for the 1986-1990 Period, as well as information on the implementation of measures for cooperation agreed upon within the framework of the coordination of plans for the 1981-1985 period, and on additional possibilities for expanding cooperation;

—the report on the draft Program for Cooperation in the Development of Microprocessor Technology and Its Broad use in the National Economies of CEMA Member Countries During 1982-1990;

—the date and tentative agenda of the next, 37th Session of CEMA.

The report of the Executive Committee on the activities of the Council for Mutual Economic Assistance during the period between the 35th and 36th sessions was presented by J. Marjai, Chairman of CEMA Executive Committee and Deputy Chairman of Hungary's Council of Ministers.

The speaker noted that the CEMA member countries have in the main fulfilled, on guiding themselves by the decisions of the congresses and communist and workers' parties that took place in them, the targets for 1981, the first year of the current five-year plan, which is intended to intensify social production in all ways and accelerate scientific and technical progress and, on this basis, promote the welfare of the member nations.

The CEMA member countries have achieved growth in generated national income and industrial production. Output in the subsectors decisive to scientific and technical progress, and chiefly in machine building, electronics, power industry and chemical industry, has been rising at a spearheading rate. The bulk of the increase in industrial output in CEMA member countries has been achieved by raising labor productivity.

An important factor in the economic growth of CEMA member countries has been the continuing expansion of cooperation and socialist economic integration, along with broadening of mutual manufacturing, scientific-technical and trade ties.

During the period covered by the report the Executive Committee and other agencies of CEMA continued planned work to implement the resolutions of the 35th CEMA Session, the Comprehensive Program, and the measures ensuing from the DTsPS /Long-Range Targeted Cooperation Program/, as well as work to draft, sign and carry out agreements intended to promote the solution of principal national-economic problems.

CEMA agencies focused their attention on aspects of a fuller utilization of the possibilities of international specialization and co-production in, primarily, the types of machinery and equipment that are most important to economic growth, as well as to the possibilities for conservation of material and manpower resources. The work to streamline the organization of multilateral cooperation and the activities of CEMA agencies and international economic organizations established by CEMA member countries has continued.

In connection with the development of multilateral cooperation, bilateral long-range programs (master plans) for the specialization and cooperation of production in machine building, electronics, electrotechnical industry, chemical and petrochemical industries, and other subsectors were being implemented.

The Executive Committee and other agencies of the Council attached great importance to the drafting, signing and implementation of the agreements ensuing from the DTsPS. Altogether, the member countries signed 155 agreements. CEMA agencies have drafted an additional 35 agreements that are now in the signatory stage.

The report emphasized that the CEMA member countries and agencies in 1981 had accomplished considerable work to develop cooperation in solving the fuel-energy problem and increasing the effectiveness of the utilization of all types of fuel-energy resources.

A major direction of the growth of power industry in CEMA member countries and conservation of fossil fuel is the increasing share of nuclear energy in the generation of electrical energy and heat. The installed capacity of nuclear power stations has increased by 2,880 MW and reached an aggregate total of 19,500 MW for Bulgaria, the GDR, the USSR and Czechoslovakia, and it generates about 110 billion kwh of electrical energy annually, which has served to save more than 35 million standard tons of fossil fuel. In Hungary considerable effort was spent on expediting the activation of the country's first nuclear power plant. Cooperation based on agreements to activate power units incorporating the VVER-1000 /water-moderated water-cooled reactors/ and develop fast-neutron reactors has been further expanded.

Integrated power systems of CEMA member countries have been growing, and so has mutual exchange of electrical energy, which last year totaled 32 billion kwh.

The report described the results of the cooperation of CEMA member countries in the principal branches of economy.

The implementation of the General and bilateral agreements for specialization and cooperation in the production of energy-intensive and non-energy-intensive chemicals has continued, and in most countries that production has increased and the volume of mutual deliveries of these chemicals has correspondingly risen.

A major direction of cooperation in iron and steel industry has been the improvements in quality and broadening of the variety of metal products with the object of a more effective utilization of ferrous metals in the national economies. Proposals have been drafted for cooperation among member countries in an economical and rational utilization of tungsten, molybdenum and manganese.

Cooperation in the field of nonferrous metallurgy has contributed to improvements in technologies with the object of reducing losses of ferrous and rare metals during the extraction and concentration of ores. It has also resulted in streamlining the metallurgical processing of ores and concentrates, utilizing raw materials more comprehensively, conserving fuel and electrical power, and improving the quality and broadening the variety of output.

CEMA agencies are working to implement cooperation in the priority directions identified by the 34th CEMA Session; these directions include high-capacity precision metalworking and casting equipment; comprehensive series of progressive products for general machine-building purposes; systems of machinery for comprehensive mechanization of agriculture as well as for efficient processing of agricultural raw materials; systems of machinery and equipment, including automatic programmed-control manipulators (industrial robots), that reduce the application of manual labor in the national economy and primarily in loading-unloading, transport-warehousing, auxiliary and other labor-intensive operations. They also are working to secure these measures

by drafting programs for standardization of the related equipment as well as sets of CEMA-wide norms and standards directly applying to the products, elements and components covered by specialization and co-production.

In the field of agriculture and the food industry, positive results have been achieved in cooperation as regards selection work and seed raising, mutual deliveries of geno-stocks, technologies and equipment and the application of the results of scientific and technological research.

The Executive Committee has approved the measures for cooperation among CEMA member countries, during the period until 1990, in the comprehensive solution of problems of improving the quality and taste of foodstuffs and providing the food industry with quality raw and other materials and equipping it with modern high-capacity equipment.

During the period covered by the report, as noted by the speaker, CEMA agencies launched work to implement the decisions of the 35th CEMA Session and proposals for further improvements in scientific and technological cooperation in the direction of an accelerated development and industrial application of advanced technologies, equipment and materials. To assure coordination of scientific and technological policies on main problems of scientific and technological progress among the concerned countries, CEMA agencies worked to select priority directions of scientific and technological coopeation in the principal branches of the economy.

CEMA agencies are working to identify the problems with respect to which the cooperation should proceed on the basis of comprehensive cooperation programs covering the entire science-technology-production-marketing cycle, with the object of concentrating forces and resources on the priority directions of the cooperation. This entails the division of problems of scientific and technological cooperation into three levels depending on the expected technical and economic results and periods of development (during the current five-year plan period, in the following five-year period, and problems of basic research). The problems isolated within the first group are those whose development will culminate already within the current five-year plan period in the design, introduction and organization of production of progressive machinery, equipment, and materials, the activation of new technological processes, etc.

A draft program has been worked out for cooperation in the development of microprocessor technology and its broad utilization in the national economies of CEMA member countries during the 1982-1990 period.

The concerned CEMA member countries have drafted an engineering concept for developing the manufacture of robots and organizing the cooperation of CEMA member countries in this field. This concept presupposes the standardization of the basic components of factory robots and robotized technological complexes on the basis of identical modules, components and elements.

Other problems concerning which programs are being drafted to cover the entire science-technology-production-marketing cycle are those named in Chapter 3 of the Coordinated Plan for Multilateral Integrative Measures During the Years 1981-1985. Work on these problems entails the adoption of measures for a rational utilization of scientific and technological potential by improving the division of labor among the concerned countries.

To re-orient cooperation in the direction of the design and development of equipment assuring a more rational and thrifty utilization of fuel, electrical energy and raw materials, the CEMA Committee for Scientific-Technical Cooperation has, on the basis of materials from CEMA countries and agencies, formulated the Program for the Scientific and Technological Cooperation of CEMA Member Countries in Solving Fuel-Energy Problems During the 1981-1985 Period and in the Longer Run (until 1990). To assess the possibilities for organizing cooperation in introducing new technological solutions assuring a marked increase in the utilization of regenerable energy sources, this Committee has drafted, and dispatched to the appropriate CEMA agencies and international economic organizations of CEMA member countries, proposals concerning more than 60 devices and facilities for the conversion of solar, geothermal and wind energy.

The report also presented figures on the development of trade among CEMA member countries.

In 1981 the work to conclude long-range trade agreements among CEMA member countries for 1981-1985 as well as the yearly protocols for goods turnover during 1981 was completed.

Mutual goods turnover among CEMA member countries under the concluded long-range agreements for 1981-1985 will have increased 62.7 percent compared with the volume of that turnover specified in the long-range trade agreements for the 1976-1980 period.

As in the previous years, exports of machinery and equipment will grow at the fastest rate during 1981-1985. Thus while overall exports in mutual trade among CEMA member countries will have increased 36.5 percent in 1985 compared with 1980, shipments of machinery and equipment during the same period are scheduled to rise 46.9 percent.

Mutual goods turnover among CEMA member countries accounted for 54.5 percent of the overall volume of their foreign trade in 1981.

The speaker emphasized that, during the period covered by the report, CEMA member countries and agencies continued to provide aid, on multilateral and bilateral basis, to Vietnam, Cuba and Mongolia with the object of accelerating the growth and increasing the effectiveness of the economies of these countries, with allowance for their specific conditions.

Relations with non-CEMA countries and international organizations were further developed. Cooperation with Yugoslavia was implemented. In 1981 the economic associations and enterprises of Yugoslavia and the corresponding organizations in CEMA member countries signed 4 agreements for multilateral specialization and co-production in discrete industrial subsectors and 4 agreements for multilateral scientific and technological cooperation.

Economic and scientific-technological cooperation between CEMA member countries and Finland, based on the agreement concluded between CEMA and the Finnish Republic, continued to develop. During the period covered by the report the competent agencies,

organizations and companies of CEMA member countries and the Finnish Republic signed 5 agreements on economic and scientific-technological cooperation.

During that period, the Council for Mutual Economic Assistance practiced various forms of contacts with more than 60 international organizations associating countries with different socio-economic systems.

At the Session, a report on the implementation of the Agreement for Multilateral International Specialization and Co-Production and Mutual Deliveries of Equipment for Nuclear Power Stations During the 1981-1990 Period was presented by A. K. Antonov, Chairman of the Intergovernmental Commission for Coordinating the Cooperation of CEMA Member Countries in the Production of Equipment for Nuclear Power Stations and Deputy Chairman of the USSR Council of Ministers.

The report stated that, in accordance with the adopted programs, the generation of nuclear power by CEMA member countries will markedly increase toward 1990. Forecasts indicate that in some member countries nuclear power will account for 20-30 percent of the total generated electrical energy.

The cooperation among CEMA member countries in the field of the building of nuclear power stations and equipment is proceeding on the basis of the General Agreement for the Long-Range Development of Integrated Power Systems in the Period Until 1990, dated 23 November 1977, and the Program for the Maximum Possible Development of the Construction of Nuclear Power Station Equipment by CEMA Member Countries, inclusive of the problems of co-production and specialization in this field, as adopted at the 31st Session of the Council.

The principal measure to implement this program was the Agreement for Multilateral International Specialization and Co-Production and Mutual Deliveries of Equipment for Nuclear Power Stations During the 1981-1990 Period, signed on 28 June 1979. This agreement is intended to unify the efforts of the European member countries of CEMA and Yugoslavia to expedite the design and development of specialized facilities for the construction of technologically complex nuclear power equipment and thereby also to implement broad plans for building nuclear power stations in these countries. The implementation of this agreement will also contribute to improving the structure of the fuel-energy balance in these countries.

The signing of the agreement was preceded by considerable preparations. Initially it was signed on a bilateral basis between the USSR and the European socialist countries, with the basic facility chosen being the equipment for a 440-MW reactor installation.

During that period some countries were already erecting new or modernizing existing enterprises, organizing the manufacture of special steels and materials and receiving, analyzing and adapting design documents and blueprints transmitted by Soviet organizations.

This was accompanied by the process of mastering the technology and manufacturing new intricate equipment. Soviet organizations provided the coresponding organizations of the countries participating in the agreement with considerable practical

assistance in adapting USSR blueprints and design documents, coordinating them and developing blueprints directly during the construction and adjustments of equipment.

The corresponding development of manufacturing facilities in the member countries seved as the basis as transition to a qualitatively new form of multilateral cooperation intended to further expand markedly the volume of co-produced output and widen the specialization of countries.

The 1979 agreement provided that the member countries would build more than 140 makes of equipment (more than 350 discrete equipment items and apporoximately 300 type-sizes of special reinforcement in the nuclear class) for nuclear power stations with both 440- and 1,000-MW capacity power-generating units.

Proceeding from the principles of multilateral international cooperation, the participating CEMA member countries adopted pledges not only to organize the production of the equipment but also to participate collectively in the building of nuclear power stations, primarily through the organization of mutual deliveries of equipment, performing installation operations and providing aid in installation as needed and supplying spare parts.

During the elapsed period the Intergovernmental Commission considered at its regular sessions reports and proposals from the member countries concerning aspects of the development of the necessary production capacities and provision of design documents, and it has drafted and adopted coordinated measures to assure a timely and complete implementation of the pledges of the countries regarding the construction and deliveries of equipment. It has also been determining the annual volumes of output and deliveries with allowance for actual progress in the construction of nuclear power stations. With respect to various aspects of coopoeration it has been availing itself of the assistance of the "Interatomenergo" International Economic Association.

The speaker noted that currently the CEMA member countries have, with technical aid of the Soviet Union, built and put into industrial operation nuclear power stations with an aggregate capacity of about 4.5 million kwh, including:

--in Bulgaria--the "Kozloduy AES /Nuclear Power Station/ with 1,760,000-kw capacity (4 units of 440 MW each);

in the GDR--the "Rheinsberg" AES (4 units of 440 MW each) and the "Nord" (one 70-MW unit), with combined capacity of 1,830,000 kw;

--in Czechoslovakia--the "Bogunice" AES with 880,000 kw capacity (2 units of 440 MW each).

Construction is nearing its final stage as regards the first 440-MW unit at the "Paksh" AES in Hungary; the third 440-MW unit at "Bogunice" AES; and the first 440-MW unit at "Dukovany" AES (Czechoslovakia).

On considering aspects of the implementation of the agreement it should be noted that during the current five-year plan the participating countries will have not only to assure the fulfillment of a large and ambitious program for building nuclear power

stations with units of a capacity of 440 MW each but also accomplish the transition to the construction of the more intricate and unique equipment of 1,000-MW power-generating units. Corresponding preparations are under way in all the participating countries.

Analysis shows that this large-scale agreement, unexampled in world practice, is being consistently implemented by the collective efforts of the participating countries.

During the period reported on the competent organizations and corresponding enterprises of the specializing CEMA member countries and Yugoslavia have accomplished a great deal of work to assure the fulfillment of the adopted pledges. The production capacities already established or being established in these countries and the volume and range of equipment planned for production assure the implementation of a broad program for building nuclear power stations.

The positive results of the joint solution, on a multilateral basis, of every important national-economic problem point to the practical implementation of the decisions of the congresses of the communist and workers' parties of the CEMA member countries to improve the structure of the fuel-energy balance, develop reliable energy sources and strengthen the power-industry facilities of the countries of the socialist community.

A report on the draft Program for Coordinating the National Economic Plans of CEMA Member Countries for the 1986-1990 Period was presented by comrade N. K. Baybakov, Chairman of the CEMA Committee for Cooperation in Planning Activities, Deputy Chairman of the USSR Council of Ministers and Chairman of the USSR Gosplan.

The report stated that this coordinating program was drafted on the basis of the Comprehensive Program for the Further Expansion and Improvement of Cooperation and Development of Socialist Economic Integration of CEMA Member countries, the principal premises and specific provisions of the long-range targeted cooperation programs, and the resolutions of the Council Session and the Executive Committee, upon also proceeding from the experience gained in the coordination of previous national-economic five-year plans.

The program defines the common goals and directions of coordination of the plans for the next five-year plan period as well as, with respect to specific aspects, for the long-range period, and it also defines the methodological and organizational principles for conducting this work by CEMA member countries and agencies and the international economic organizations of CEMA member countries. It includes the principal organizational and methodological premises, specifies the procedure and schedule for the conduct of coordinating activities and lists the problems, to be solved on the multilateral basis, of economic cooperation linked to scientific and technological cooperation.

As pointed out in that program, the coordination of the national-economic plans of CEMA member countries, being a continuous and comprehensive process, proceeds on a bi- and multilateral basis with combining of both these forms and relating them closely to the drafting of national plans so that CEMA member countries could assess the results of that coordination during discrete stages in drafting their five-year plans.

The coordination is intended to broaden and expand and intensify mutual economic and scientific-technical ties among CEMA member countries. This should promote the implementation of the strategic course of the communist and workers' parties of these countries toward assuring further growth in the welfare of nations on the basis of a stable and balanced development of national economies, accelerating scientific and technological progress and consistently converting the economies to the intensive path of development, and utilizing more rationally the industrial and scientific-technical potential of the members of the Council. Its goal is a broader participation of the economically less developed CEMA member countries (Vietnam, Cuba and Mongolia) in the system of the international socialist division of labor, the provision of aid to these countries to accelerate and effectively develop their economy, science and technology, the development of international specialization and co-production, the application of effective forms of economic and scientific-technical cooperation and coordinated preferential conditions in accordance with the provision of the Comprehensive Program regarding these countries, with the object of achieving rapprochement and gradual equalization of the levels of economic development among CEMA member countries.

The work to coordinate the national-economic plans of CEMA member countries is based on the draft plans for their economic development, prepared on the basis of the directives adopted by the congresses of fraternal communist and workers' parties and summit agreements for developing mutual economic cooperation and co-production.

Complementing the coordination of national-economic plans with an appropriate meshing of economic policies as a whole will make it possible to coordinate five-year plans on the basis of a coordinated stragegy of long-range economic growth and assure the continuity of that coordination.

In the course of the coordination of bilaterally based plans the central planning agencies and the agencies administering the development of science and technology in the concerned countries, as well as ministries, departments and economic organizations of CEMA member countries will agree upon specific directions of development of further economic and scientific-technical cooperation for the 1986-1990 period in the principal branches of national economy on proceeding from the individual national concepts of economic growth for the five-year period being coordinated, with allowance for their development prospects; directions of cooperation formulated in bilateral long-range programs (master plans) of cooperation, and other intergovernmental and interdepartmental multi- and bilateral agreements, treaties and documents on cooperation; and the principal directions of cooperation during the 1986-1990 period being determined in the course of the coordination, by the concerned CEMA member countries, of economic and scientific-technical policies for the long-range period.

The program provides for strengthening the multilateral approach to the solution of main problems of cooperation, including those relating to the coordination of capital investments in particular fields and facilities. Proposals will be drafted for the development of scientific-technical and industrial co-production and cooperation and the application on this basis of the achievements of science and technology in the principal branches of industry.

The drafting of proposals for the solution of multilaterally coordinated problems of economic cooperation entails the coordination of the principal forms and conditions of the economic and scientific-technical cooperation of the participating countries designed to assure a comprehensive solution of these problems, including the coordination, by the concerned countries, of measures for cooperation with third-party countries and the preparation of drafts of agreements and treaties.

These proposals will be prepared by the appropriate permanent branch-of-economy commissions of CEMA. In this connection, the CEMA Committee for Cooperation in Planning Activities will examine and coordinate the work on comprehensive problems of cooperation and organize the drafting of pertinent multilateral agreements for the solution of these problems.

In measure with the progress in coordinating aspects of the cooperation, multilateral and bilateral agreements, treaties and other documents will be concluded with respect to, among other things, also specialization and co-production. This will include,as the need arises, the renewal of agreements scheduled to expire in 1985. Through this procedure, attention will be devoted to the timely conclusion of agreements and contracts for deliveries of machinery, equipment and installations with long production cycles, as well as for other major goods deliveries.

After the coordination of national-economic plans is completed, the heads of the central planning agencies of CEMA member countries will sign bilateral protocols reflecting the results of the coordination of the principal aspects of economic cooperation, production specialization and co-production, and cooperation in capital construction and volume of mutual deliveries, as well as regarding other coordinated aspects. The protocols will also reflect problems regarding which the countries agree to continue their work. Along with this, the agencies administering aspects of the development of science and technology will adopt coordinated programs for cooperation in that field.

CEMA member countries will specify in their national-economic plans, in accordance with their internal systems for economic planning and management, the material, manpower, financial and other resources--including coordinated MIB [International Investment Bank] loans and deliveries financed with these loans (in conversion rubles)--needed to implement the pledges, taken in the course of the coordination of the plans, spelled out in multi- and bilateral agreements and treaties.

The most important measures for multilateral cooperation will be incorporated in the Coordinated Plan for Multilateral Integrative Measurs of CEMA Member Countries in the 1986-1990 Period.

Following the final coordination of the 1986-1990 plans, the CEMA Secretariat will prepare, on the basis of information provided by the CEMA countries and agencies and the international economic organizations of CEMA member countries, a draft report on the coordination of national-economic plans for 1986-1990 and on the Coordinated Plan for Multilateral Integrative Measures of CEMA Member Countries in the 1986-1990 Period. This report will then be examined by the CEMA Committees for Cooperation in Planning Activities and for Scientific-Technical Cooperation (with respect to the part of the report dealing with problems of science and technology) and subsequently submitted to the Executive Committee and the Session of the Council for Mutual Economic Assistance.

The work to coordinate the plans will culminate during the first and second quarters of 1985 in the signing, by the heads of central planning agencies, of bilateral protocols on the results of the coordination of 1986-1990 plans, which will serve as the basis for drafting and concluding in the second half of 1985 long-range trade agreements for the coordinated five-year period.

The CEMA Committee for Cooperation in Planning Activities has also informed the Council Session about the progress of the implementation of the cooperation measures agreed upon while coordinating the 1981-1985 plans, and on the additional possibilities for expanding cooperation.

A report on the Program for Cooperation in the Development of Microprocessor Technology and Its Broad Use in the National Economies of CEMA Member Countries in the 1982-1990 Period was presented by comrade G. I. Marchuk, Chairman of the CEMA Committee for Scientific-Technical Cooperation and Chairman of the USSR State Committee for Science and Technology.

The report points out that in the present continuing conversion of the economies of CEMA member countries to the intensive path of development, a most important task is the purposeful joint utilization of our mighty scientific and technological potential to increase the effectiveness of social production. The strategic direction of the solution of this problem in the present stage is the conduct of coordinated resource-conserving technical policies on the basis of the optimization of technological processes and the conservation and rational utilization of material, fuel-energy and manpower resources.

These problems can be effectively solved on the basis of the development and implementation of a coordinated technical policy, a comprehensive approach toward conducting that policy, and the conduct of a broad range of interrelated measures regarding the cycle science-technology-production-marketing, including aspects of unification and standardization.

The decisions of the congresses of the communist and workers' parties of the countries of the socialist community emphasized that the further increase in labor productivity and effectiveness of social production is largely dependent on the development of the comprehensive mechanization and automation of production processes on the basis of a broad application of microprocessor technology and factory robots. Their application in machinery and equipment systems will serve to convert technological processes to a higher level and unlocks the vistas for developing flexible and adjustable automated types of production, sectors, lines, shops and plants.

Under consideration is a program for cooperation in the development of microprocessor technology and its broad use in the economies of CEMA member countries during the 1982-1990 period, drafted in accordance with the directive of the 35th Session of the Council by the CEMA Committee for Scientific-Technical Cooperation.

The draft of this program has been approved at the 103rd session of the Executive Committee of the Council.

At the same time, that 103rd session resolved to prepare, with the object of promoting an effective implementation of the program, a draft of a general agreement for multi-

lateral cooperation in the development of microprocessor technology and its broad use in the national economies of CEMA member countries.

The CEMA Committee for Scientific-Technical Cooperation has drafted such a general agreement for signing during the current Session.

The need for cooperation in regard to this problem is dictated by the objective course of technological progress and economic development in our countries.

A broad use of microprocessor technology is resulting in deep economic, social and technological changes. Microprocessor-equipped machinery and equipment serve to optimize technological processes and automate production.

For example, every additional 1,000 microcomputer-equipped machine tools with digital programmed control will assure relieving 2,500 machine tool operators. The replacement of the widely used minicomputers in technological equipment with microcomputers will serve to increase the reliability of that equipment, reduce its cost to from 1/7th to 1/20th and reduce to a small fraction the energy requirement of systems.

The implementation of this program will serve to assure the conversion from the development of individual automatic control systems for the control of complex technological processes to the mass automation of production processes, machinery, equipment and instruments on the basis of microprocessor control devices and microcomputers, which will make it possible to attain a considerable scientific-technical, economic and social effect.

The draft program provides for a broad variety of joint projects to be carried out by the coutries as regards the analysis and assessment of the experience in the utilization of microprocessor devices in the national economies of CEMA member countries; R&D work on microprocessor devices; the development of automated technological complexes, machinery, mechanisms, instruments and control systems on the basis of microprocessor technology, for various branches of the national economy; and the organization of national systems for the regular and advanced training of experts and provision of information to the broad masses of users of microprocessor devices.

The draft program envisages more than 100 various tasks, most of which entail the development of particular models of new technology equipped with microprocessor devices.

The draft program also presupposes the development of service facilities: hardware systems, means of development and diagnostics of systems, etc. It also envisages various projects intended to develop the necessary software.

In addition, on the basis of an assessment of the experience in the mass application of microelectronics, general technical requirements for principal microprocessor devices will be formulated, which should contribute to expediting the work to unify and standardize the components used in CEMA member countries. Problems of unification and standardization play a particularly important role. Their timely solution will greatly affect the possibilities for production specialization and co-production

of products incorporating microprocessor devices, the technological and engineering compatibility of these products, the expansion of mutual deliveries, and the competitiveness of our products on the world market.

In view of the large scale of this program, the draft of the general agreement pays special attention to organizational forms of its implementation. It provides for implementing the coordination of R&D work and production of microprocessor equipment and basic software by the Intergovernmental Commission for the Cooperation of Socialist Countries in the Field of Computer Technology and, in the part of the agreement relating to the use of microprocessor technology, by the CEMA Committee for Scientific-Technical Cooperation.

The draft of the general agreement also provides for the possibility of further elaboration of the program, its complementation with new directions and discrete tasks.

The signing of a general agreement for multilateral cooperation in the development and organization of specialized co-production of industrial robots also is being planned. That agreement has been drafted by the CEMA Committee on Scientific-Technical Cooperation, with the participation of other agencies of the Council, upon instruction by the Executive Committee of the Council (102nd Session).

The implementation of the program envisaged in the general agreement will serve to convert to a new level the organization of production in machine building and other industrial subsectors, utilize manpower resources more effectively, preclude the employment of relatively unskilled and monotonous labor and develop comprehensively automated sectors and shops as well as entire automated plants.

The signing of the general agreements on robots and microprocessors is a new step in the implementation of comprehensive programs for scientific and technological progress, and it contributes to the development of mutually advantageous cooperation among our countries.

Next, the plenary meeting of the Session began to discuss the submitted reports. In accordance with the agenda, the following speakers took the floor: Comrade N. A. Tikhonov, the head of the delegation of the Union of Soviet Socialist Republics and Chairman of the USSR Council of Ministers; comrade G. Filipov, the head of the delegation of the People's Republic of Bulgaria and Chairman of the PRB Council of Ministers; comrade To Huu, the head of the delegation of the Socialist Republic of Vietnam and Deputy Chairman of the SRV Council of Ministers; comrade W. Stopf, the head of the delegation of the German Democratic Republic and Chairman of the GDR Council of Ministers; comrade C. R. Rodriguez, the head of the delegation of the Republic of Cuba, Deputy Chairman of the Council of State and Deputy Chairman of the Council of Ministers of the Republic of Cuba; comrade J. Batmonh, the head of the delegation of the Mongolian People's Republic and Chairman of the MPR Council of Ministers; comrade W. Jaruzelski, the head of the delegation of the Polish People's Republic and Chairman of the PPR Council of Ministers; comrade C. Dascalescu, the head of the delegation of the Socialist Republic of Romania and Prime Minister of the SRR Government; comrade L. Strougal, the head of the delegation of the Czechoslovak Socialist Republic and Premier of the CSR; comrade D. Lazar, the head of the delegation of the Hungarian People's Republic and Chairman of the HPR Council of Mi-

nisters; comrade Z. Dragan, the head of the delegation of the Socialist Federated Republic of Yugoslavia and Vice President of the SFRY Federal Executive Council; comrade Lopo do Nascimento, the head of the delegation of the People's Republic of Angola and PRA Minister of Planning and Minister of Home Trade; comrade A. M. Sarbuland, the head of the delegation of the Democratic Republic of Afghanistan, Deputy Chairman of the Council of Ministers and DRA Minister of Information and Culture; comrade M. S. Madhi, the head of the delegation of the People's Democratic Republic of Yemen and PDRY Minister of Finance; comrade S. Vongkhamsao, the head of the delegation of the Lao People's Democratic Republic, Deputy Prime Minister and Chief of the LPDR National Planning Committee; comrade M. dos Santos, the head of the delegation of the People's Republic of Mozambique and Secretary for Economic Affairs at the Central Committee of the FRELIMO party; and comrade Tane Gulilat, the head of the delegation of Socialist Ethiopia and Deputy Chief Secretary of the Central Planning Council.

Proposals for the tentative agenda of the 37th Session of CEMA were offered by comrade N. V. Faddeyev, Secretary of the Council for Mutual Economic Assistance.

On 10 June, at the final meeting, the heads of the delegations of the PRB, the HPR, the SRV, the GDR, the Republic of Cuba, the MPR, the PPR, the SRR, the USSR, the CSR, and also the SFRY, signed the protocol of the 36th CEMA Session.

The Session examined and approved the Program for the Coordination of National Economic Plans for the 1986-1990 Period. In the course of the Session, the following documents were signed: general agreements for cooperation in the development of microprocessor technology and its broad use in national economies, and for the development and organization of specialization in and co-production of industrial robots; and an intergovernmental multilateral agreement on problems of specialization in and co-production of microelectronic components for computers and materials and technological equipment for microelectronics.

The progress in implementing the agreement for multilateral international specialization in and co-production and mutual deliveries of equipment for nuclear power stations was examined and appropriate recommendations were adopted. The Session approved a program for multilateral cooperation in the field of color television.

At the concluding meeting the Communique on the 36th Session of the Council for Mutual Economic Assistance was adopted.

The closing address at the Session was delivered by comrade D. Lazar, the Session Chairman and head of the delegation of the HPR. In response, comrade W. Stoph, the head of the delegation of the GDR, welcomed the decision to convene the next, 37th CEMA Session in Berlin in 1983.

Comrade J. Kadar, the First Secretary of the Central Committee of the Hungarian Socialist Workers Party, received the heads of the delegations participating in the CEMA Session.

Comrade J. Kadar praised the results of the deliberations on the effects and prospects of economic and scientific-technical cooperation among the fraternal countries at the 36th Session of CEMA. The planned implementation of the Comprehensive CEMA

Program and of the long-range targeted programs for cooperation in principal branches of material production is, he emphasized, of not only economic but also great political importance.

The advantages of socialist integration serve to accomplish successfully the strategic tasks to elevate the living standards of the peoples of the countries of the community. The strengthening of the economic potential of the socialist states is an important factor in strengthening peace on earth.

In the present difficult international situation, complicated through the fault of the imperialist circles, the Hungarian Socialist Workers' party and the HPR will, J. Kadar emphasized, apply every effort to strengthen the unity and solidarity of the fraternal parties and countries and actively promote the conduct of a coordinated foreign-policy course toward the preservation and development of the processes of detente and the spirit of cooperation.

On behalf of the delegations comrade N. A. Tikhonov expressed sincere gratitude to the Central Committee of the HSWP and the Government of the HPR, and personally to comrade J. Kadar, for the cordial welcome and the provision of excellent conditions for a fruitful work of the CEMA Session in Budapest.

On the occasion of the 36th CEMA Session, the Presidium of the Hungarian People's Republic gave a reception.

Those attending the reception were the heads and members of the delegations of CEMA member countries and Yugoslavia as well as of delegations of the countries participating in the capacity of observers in the deliberations of the Session. Also present were Hungarian leaders and representatives of the public.

Those present were greeted by comrade P. Losonczi, Chairman of the HPR Presidium.

The reception took place in an atmosphere of cordiality and fraternal friendship.

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Communique Announced

Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 9, Sep 82 pp 18-20

[Report: "Communique on the 36th Session of the Council for Mutual Economic Assistance"]

[Text] On 8-10 June 1982 the regular 36th Session of the Council for Mutual Economic Assistance was convened in Budapest, the capital of the Hungarian People's Republic.

Those taking part in the deliberations of the Session included the delegations of CEMA member countries headed by G. Filipov, Chairman of the Council of Ministers of the People's Republic of Bulgaria; D. Lazar, Chairman of the Council of Ministers of the Hungarian People's Republic; To Huu, Deputy Chairman of the Council of Ministers of the Socialist Republic of Vietnam; W. Stoph, Chairman of the Council of Ministers of the Germar Democratic Republic; C. R. Rodriguez, Deputy Chairman of the Council of State and Deputy Chairman of the Council of Ministers of the Republic of Cuba; J.

Batmonth, Chairman of the Council of Ministers of the Mongolian People's Republic; W. Jaruzelski, Chairman of the Council of Ministers of the Polish People's Republic; C. Dascalescu, Prime Minister of the Socialist Republic of Romania; N. A. Tikhonov, Chairman of the Council of Ministers of the Union of Soviet Socialist Republics; and L. Strougal, Premier of the Czechoslovak Socialist Republic.

Pursuant to the Agreement between CEMA and the Government of Yugoslavia, a Yugoslav delegation headed by the Vice President of the Federal Executive Council, Z. Dragan, participated in the Session.

Representatives of the following countries took part in the Session's deliberations in the capacity of invited observers: the People's Republic of Angola, the Democratic Republic of Afghanistan, the People's Democratic Republic of Yemen, the Laos People's Democratic Republic, the People's Republic of Mozambique and Socialist Ethiopia.

The Session participants included N. V. Faddeyev, Secretary of the Council for Mutual Economic Assistance, and representatives of CEMA committees and certain international economic organizations created by the socialist countries.

The Session was chaired by D. Lazar, head of the HPR delegation and Chairman of the HPR Council of Ministers.

The Session approved the activities of the CEMA Executive Committee in the period between the 35th and 36th Sessions of the Council for Mutual Economic Assistance.

It was noted that in 1981 the CEMA member countries have, under the leadership of their communist and workers' parties and on utilizing the advantages of the socialist system of society and mobilizing internal resources, made an important step forward in implementing the tasks of the current five-year plan period and developing social production. Output rate was the fastest in the branches decisive to scientific and technological progress, primarily in machine building, electronics, power industry and chemical industry. Most of the increase in industrial output was accomplished owing to the rise in labor productivity. Despite the unfavorable weather prevailing in a number of the countries, the volume of agricultural output for the CEMA member countries as a whole remained at the 1980 level. Mutual foreign-trade turnover among CEMA member countries has increased, and last year its share in their overall goods turnover amounted to 55 percent.

It was unanimously stressed at the Session that an increasing role in the development of the national economies of CEMA member countries is played by the further intensification of cooperation and socialist economic integration and the broadening of their mutual industrial, scientific-technical and trade ties. This cooperation is becoming an increasingly important factor in strengthening the positions of CEMA member countries in the world economy.

Of special importance to strengthening the unity and solidarity of the socialist community of CEMA member countries and improving their economic and scientific-technical cooperations were the talks among the leaders of the fraternal parties and states during their meetings in the Crimea, among other places. The implementation of the agreements reached at these meetings has contributed to the further growth of the

economic and scientific-technical cooperation of CEMA member countries in the interests of accomplishing the tasks of socialist development posed by the congresses of the communist and workers' parties of these countries.

This year planned work to translate into reality the Comprehensive Program and long-range targeted cooperation programs of CEMA member countries and the resolutions of the Session has been continued. Considerable attention was paid in this connection to the development and organization of the specialized production of progressive systems of machinery and equipment that are of great importance to the intensification of the economy, as well as to aspects of meeting more fully the needs of the population of the fraternal countries for quality manufactured consumer goods and food.

The Session found that the development of the national economies and cooperation of CEMA member countries has been taking place under conditions of depressed world markets and a complicated international situation due to the conduct of a more active policy of force by the imperialist states, the spiraling of the arms race and the increase in military spending by these states, along with their intervention in the domestic affairs of other countries.

The imperialist circles of the United States and of a number of other NATO countries have, with the object of exerting political pressure, intensified their discrimination against CEMA member countries and resorted to the application of "sanctions" and curtailment of trade and economic relations with these countries, particularly with Poland and the USSR. The illegal policy of the economic blockade of fraternal Cuba is being intensified.

The declaration recently adopted at the Versailles conference shows that the principal capitalist countries intend to complicate still further trade, credit and other economic relations with CEMA member countries.

Affirming the position expressed in the communique of 22 January 1982 of the CEMA Executive Committee, the Session resolutely rejects these actions and believes that they are intended to exacerbate international tension and interfere with the growth of mutually advantageous world cooperation, conflicting with the interests of not only CEMA member countries but also all other countries of the world, and that they represent a most rude violation of the universally accepted norms of international conduct and the principles of the UN Charter and the Concluding Act of the Conference on European Security and Cooperation. The Session regards as intolerable any intervention in the domestic affairs of a CEMA member--the Polish People's Republic.

It was unanimously stressed that such actions will not succeed. The CEMA member countries, in strengthening their solidarity and mutual cooperation and developing ties with other states interested in the strengthening of peace and international cooperation, are firmly determined to assure their own secure development.

CEMA member countries were and are providing broad assistance to the fraternal Polish nation in surmounting its economic difficulties and assuring the conditions for its further socialist development.

The Session examined and approved the Program for the Coordination of National Economic Plans for the 1986-1990 Period, which should promote the implementation of the course of

the fraternal communist and workers' parties toward the intensification of production to foster the growth of the national welfare of the peoples of the fraternal countries. The coordination of these plans will be complemented by the coordination of economic and technical-scientific policies by the interested CEMA member countries. Special importance in this connection should be attached to utilizing the possibilities for the international socialist division of labor with the object of accelerating scientific and technological progress and assuring a balanced development of the economies of CEMA member countries.

The Program provides for strenthening the multilateral approach to the accomplishment of the main tasks of the cooperation and broadening the coordination of capital investments in particular fields and facilities. Proposals will be drafted for the development of scientific-technical and industrial cooperation and the application, on this basis, of the achievements of science and technology in the principal branches of the national economy.

Allowing for the need to accelerate the development and strengthen the effectiveness of the economy of the Socialist Republic of Vietnam, the Republic of Cuba and the Mongolian People's Republic, a provision has been made for their broader participation in the international socialist division of labor. In accordance with the Comprehensive Program, plans exist to continue to apply coordinated preferential terms of cooperation to these three countries.

Attaching special importance to the integration of efforts in the principal directions of scientific and technological progress, the heads of CEMA member countries signed during the Session general agreements for cooperation in the development of microprocessor technology and its broad economic utilization, as well as on the development and organization of specialization in and co-production of industrial robots. As approved by the Session, the program of work on microprocessors and the coordinated measures for cooperation in robot technology provide for the conduct of joint research, design and development work and the organization of specialized series production of automatic technological complexes of machinery, instruments and control systems equipped with the most up-to-date electronic devices.

Also signed was the Intergovernmental Multilateral Agreement on Aspects of the Specialization in and Co-Production of Microelectronic Components for Computer Equipment as Well as of Materials and Technological Equipment for Microelectronics.

The implementation of these agreements will serve to strengthen the basis for the technological re-equipping of the national economies of CEMA member countries and the automation of production processes in manufacturing and agriculture as well as of many types of management activities. It will also serve to reduce the use of manuel labor, especially in labor-intensive and strenuous operations, and to conserve energy and raw and other materials.

Also examined was the progress in implementing the Agreement for Multilateral International Production Specialization, Co-Production and Mutual Deliveries of Equipment for nuclear power stations. It was stressed that the fulfillment of this Agreement will markedly improve meeting the demand of the participating countries for electrical energy. The Session pointed out that these countries have carried out a great deal

of work associated with the development of specialized production capacities and the organization of the production and deliveries of new intricate equipment.

During the current five-year plan period there will commence the co-production of equipment for facilities with water-cooled water-moderated reactors having a unit capacity of 1,000 MW each.

The Session adopted recommendations for the further development of cooperation in nuclear power industry and production specialization and co-production of equipment for nuclear power stations.

The CEMA Session also pointed to the need to strengthen cooperation in the conservation and rational utilization of fuel, energy and raw materials, including secondary ones. It instructed the CEMA agencies to draft proposals on this question, chiefly as regards the development and introduction of energy- and materials-saving technologies and equipment, and to broaden the exchange of advanced knowhow.

In view of the growing demand of the population for modern types of manufactured consumer goods, the Session approved a program for multilateral cooperation in the field of color television. Plans exist for the development and organization of the production of new types of color television sets, picture tubes, studio equipment, video equipment and the technological equipment needed for their manufacture, along with control and measuring instruments, on the basis of international speciaslization.

It was gratifying to note that cooperation continued to develop with the Socialist Federated Republic of Yugoslavia on the basis of the agreement between CEMA and the SFRY, as well as with the People's Republic of Angola, the Democratic Republic of Afghanistan, the People's Democratic Republic of Yemen, the Lao People's Democratic Republic, the People's Republic of Mozambique and Socialist Ethiopia.

The Session also stressed the importance of strengthening cooperation in economy, science and technology with the countries orienting themselves toward the socialist path of development and striving for closer relations with CEMA, as well as with all developing countries. In 1981 CEMA member countries provided economic and technical aid to 92 developing countries with the object of strengthening chiefly the state sector of their economies, developing their natural resources and training native personnel. The Session resolved to improve the work, within the framework of CEMA, on multilateral cooperation with the developing countries.

The Session affirmed the striving of CEMA member countries to develop trade, economic and scientific-technical relations with the capitalist states which manifest readiness to cooperate on terms of equality and mutual advantage, upon adherence to the corresponding provisions of the Concluding Act of the Conference on European Security and Cooperation. In this connection, the Session pointed to the successful development of cooperation with the Finnish Republic on the basis of, among other things, the agreement concluded between it and the Council for Mutual Economic Assistance.

The heads of the delegations expressed their unanimous conviction that a consistent and planned expansion of comprehensive cooperation among CEMA member countries shall continue to promote the successful accomplishment of the economic and social tasks

facing the peoples of these countries and contribute to the relaxation of international tension and the cause of peace and social progress.

The 36th CEMA Session took place in an atmosphere of unanimity, complete mutual understanding and comradely cooperation.

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Faddeyev Speech

Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 9, Sep 82 pp 21-25

[Report:"Speech of Comrade N. V. Faddeyev at the Press Conference on the Results of the Deliberations of the 36th CEMA Session"]

[Text] The present Session is of special importance to the life of our Community since, on the one hand, it is taking place at a time when the international situation has grown markedly complicated and the imperialist circles are intensifying their aggressive policies and speeding up the arms race. The imperialist circles of the United States and certain of their NATO allies are increasing international tension and discriminate against our countries. On the other hand, CEMA member countries have attained a high level of economic growth and are carrying out an extensive re-structuring of their economies and accomplishing the tasks of a new qualitative stage in their cooperation. On the basis of precisely this assessment, the heads of the governments at the Session have examined the principal and major aspects of further activities of CEMA and outlined measures promoting the implementation of the complex tasks of the current stage in the economic development and cooperation of our countries, following the strategy worked out at the regular congresses of the communist and workers' parties of the fraternal countries.

At the Session it was emphasized that, despite the growing complexity of domestic and foreign conditions, CEMA member countries have been successfully implementing the tasks posed in their national plans for socio-economic development.

On the whole, in CEMA member countries, as a result of the tremendous efforts of their peoples, creative work has been carried out on an unprecedented scale, and their economic and scientific-technical potential has been growing. It is important to note in this connection that the strategy for economic growth in CEMA member countries has been invariably subordinated to the requirements of socialism--everything for the good of man, everything for satisfying his material and cultural needs.

In the modern world economy the economy of the community of CEMA member countries offers a striking contrast with the crisis situation of the economy of capitalism, which is falling into an ever steeper decline. Unemployment is growing, inflation is rising and the cost of living is soaring.

This crtisis is increasingly spreading through the economy of the United States--that main country of imperialism, despite the sweeping promises of the Reagan Administration to reduce inflation and end the economic decline. At present, as estimated by certain bourgeois economists, unemployment in the capitalist world has reached roughly 30 million. This crisis reflects not only the contradictions inherent in the capitalist system but also the consequences of the militarization of Western economy. It demonstrates the rottenness and decay of the capitalist system.

Seeking to break out of this vicious circle, imperialist circles wage the policy of inflating the militarist psychosis, achieving military supremacy and intensifying their pressure on and discrimination against the countries of the socialist community.

The reactionary nature of the global policy of imperialism manifested itself with special clarity in connection with the events in Poland. The imperialists were not and are not concealing their designs and hopes for exploiting the crisis situation in Poland to do away with the socialist system of society in that country and make Poland a base for staging an attack against the countries of the socialist community, on utilizing for this purpose both domestic and international reactionary forces and waging the policy of blockade, sanctions, trade boycott and direct intervention in the domestic affairs of that sovereign socialist state.

It was pointed out at the Session that normal economic processes are being gradually restored in Poland, and it was emphasized that CEMA member countries provided and will continue to provide the necessary aid to Poland. The Session expressed its confidence that the Polish people will, under the leadership of the party and government, overcome the difficulties facing the country upon leaning on the fraternal aid and support of CEMA member countries.

The line toward the further exacerbation of trade, economic and financial relations with the countries of the socialist community by means of prohibitions and discrimination has also been unfortunately demonstrated by the recent Versailles meeting of the leaders of the seven largest capitalist states of the West, despite their high-sounding statements in their Declaration that world trade is a necessary factor in the economic growth of all countries, and despite their pledges to strengthen the system of the organization of multilateral trade, as well as despite the announcement that these countries will oppose the demands for protectionist measures and trade-distorting practices.

Let me comment on the policy of economic sanctions and prohibitions in trade with the socialist countries, which are widely employed by imperialist circles to attain their political goals.

In the past we have more than once witnessed the bankruptcy of this myopic policy of economic blackmail and pressure, which turns against its own perpetrators.

First, this policy demonstrates that the United States and the countries following in its wake cannot be counted on as reliable partners, and dictates the necessity of solving our problems with our own resources.

Secondly,this policy prompts the socialist countries to strive for yet greater solidarity, strengthen their technological and economic independence, develop solid mutual relations and solve economic problems through mutual cooperation.

Thirdly, such a policy causes the countries of capitalism to lose substantial markets and leads to considerable losses for their companies as well as to the further growth of unemployment.

To be sure, in the West there are sober-minded politicians who understand the pernicious and senseless nature of this imperialist policy, who realize that the development of mutually advantageous trade relations serves as an important stabilizing factor in East-West relations.

It was emphasized at the Session that the tremendous economic, scientific, technological and human potential available to the countries of the socialist community enables them to accomplish any task through united effort.

Even so, however, the socialist countries adhere to the policy of peaceful coexistence and are ready to develop economic and scientific and technological relations with all other countries, regardless of their socio-economic system, on the basis of equality and mutual advantage. Only such a policy assures the possibility of strengthening mutual understanding, detente and peace on earth.

This is confirmed by the fact that goods turnover between CEMA member countries and the developed countries increased 8 percent in 1981 compared with the preceding year.

Although the Session assessed the activities of CEMA agencies in developing cooperation during the year elapsed between the 35th and 36th sessions, the comments made at the Session also stressed the tremendous role played by the Council for Mutual Economic Assistance throughout the entire period of existence of this organization in the economic accomplishments scored by CEMA member countries. It was pointed out that the great advances achieved in the socio-economic development of CEMA member countries would not have been possible without cooperation within the framework of CEMA.

This is also exemplified by Hungary. It suffices to look at the lovely capital of Hungary--Budapest--with its remarkable architectural monuments, abundance of flowers, new housing developments and the subway; it suffices to look at the contented and smiling faces of the inhabitants of Budapest, at mothers strolling with children in parks and on squares, at young couples on the quays of the Danube.

Such a picture can be observed only in a country in which all the conditions for a serene, free and happy life are assured. And it can be observed not only in Budapest but also in all the nooks and crannies of this remarkable country.

All the accomplishments of Hungary, which is confidently building an advanced socialist society were attained through the tenacious labor of Hungarian working people under the leadership of the Hungarian Socialist Workers' Party headed by comrade Janos Kadar, that outstanding party activist and statesman of the Hungarian People's Republic, eminent figure in the international communist and worker movement. These accomplishments also are due to the cooperation between Hungary and other countries of the socialist community.

During his meeting with the heads of the delegations of the countries participating in the 36th Session, Janos Kadar stressed that the tremendous accomplishments of the Hungarian People's Republic--like those of the other CEMA member countries--would not have been possible without close fraternal cooperation within the

framework of the Council for Mutual Economic Assistance, withouth the internationalist policy of the communist and workers' parties of the socialist community.

The 36th Session of the Council has considered exceptionally important aspects of the continuing solution of problems through cooperation on the basis of the utilization of intensive factors of economic growth. rise in labor productivity and broad conservation of resources.

The fuel-energy problems remains an important problem in this cooperation. To solve it, CEMA member countries are paying special attention to developing nuclear power.

To this end, the countries concluded in 1979 a large-scale agreement for specialization and co-production as regards equipment for nuclear power stations.

This agreement should assure the fulfillment of broad plans for the construction of nuclear power stations in the European CEMA member countries and in the Republic of Cuba. To solve this problem, our countries cooperate broadly in R&D work, in the design of the most up-to-date types of equipment, in the development of special materials and in the construction of the needed production capacities.

The implementation of the tasks in this field is an extremely complex affair which requires highly trained personnel and huge capital outlays.

Some CEMA member countries already have established large capacities for the production of special equipment (the "Atommash" [Nuclear Power Station Equipment] Plant in the USSR, the Skoda Works and other enterprises in Czechoslovakia, the "Ganz-Mavag in Hungary, the "Energoinvest" in Yugoslavia, and others).

The production of complete reactor sets with capacities of 440 MW each has been organized. In this connection, special attention is being paid to the production of equipment that would assure the operating safety and reliability of nuclear power stations.

The countries participating in the agreement at the same time intend to convert, during the current five-year plan period, to the production of equipment for nuclear power stations of the new generation with 1,000-MW reactors. Preparations for commencing this production already are under way.

All this will assure the implementation of the planned programs for expanding the generation of electrical energy at the nuclear power stations of CEMA member countries.

In the long run, the development of high-capacity fast-neutron reactors is of great economic importance, as is the utilization of nuclear energy at nuclear thermoelectric power plants and nuclear boiler plants to generate industrial steam and provide central heating.

The construction of nuclear power stations and the establishment of the needed capacities are not only solving the problems of the supply of electrical energy to the countries but also elevating many industrial subsectors to a higher technological level.

The 36th Session of the Council devoted considerable attention to the problem of a rational and economical utilization of material resources.

In this connection, CEMA agencies have drafted a complex whole of measures and proposals for the application, on the basis of mutual cooperation, of less energy- and materials-intensive technological processes, progressive machinery and equipment, and the utilization of secondary resources. A number of inter-subsector programs has already been drafted on this basis, and agreements to implement these measures have been signed.

On the basis of international specialization and co-production among CEMA member countries, the problems of the production of modern machinery and equipment, primarily for developing the fuel-energy subsectors, also are being solved. This concerns, e.g. high-capacity dump trucks carrying loads of 110-180 tons, heavy 500-HP tractors, high-capacity bulldozers and pipe-laying machines, rotary excavators, etc.

The Session of the Council examined the complex whole of problems of the interaction of our countries as relating chiefly to the development of cooperation in the field of electronics as the revolutionary factor in all social production to which all the communist and workers' parties of our countries assign a decisive place in the plans for the intensification of their economies.

Thus, already at the previous 35th Session of the Council was signed the Intergovernmental Agreement for the Standardization of Components of Radioelectronic, Communications and Computer Hardware. The 36th Session examined the draft program for cooperation in the broad use of microprocessor technology. In addition, during this Session, the heads of governments signed general agreements for cooperation in the development and broad use of microprocessor technology in the economies of CEMA member countries, as well as agreements for multilateral cooperation in the development and organization specialization and co-production as regards factory robots. Also signed was the Intergovernmental Multilateral Agreement on Aspects of Specialization and Co-Production as Regards Microelectronic Products and Components for Computer Hardware and Materials and Technological Equipment for Microelectronics.

The Session pointed to the need for implementing these agreements as rapidly as possible and outlined appropriate measures.

Let me draw your attention to not only the economic aspect of this matter but also the social consequences of the application of this technology in various management systems.

A broad automation of all production processes in the national economies of CEMA member countries on the basis of microprocessors and robot technology corresponds to the main goal of socialism. It will subsequently serve to completely dispense with heavy physical labor, shorten markedly the working day, and provide new possibilities for a broad development of the individual. Hence, the working people of our countries work enthusiastically to solve problems of this kind.

What a tremendous contrast we observe in the use of these technologies in the capitalist countries! There, the saturation of industry with automated facilities engenders pessimism among workers and is coupled to the exacerbation of social conflicts. These fears are not groundless. The American periodical UNITED STATES NEWS AND WORLD REPORT had to admit that "in measure with the continuing improvements in multi-purpose robots with programmed control and the increase in the types of operations which they can perform, there may come a time when many people will be deprived of the chance to get work."

The Session of the Council approved the Program for the Multilateral Cooperation of CEMA Member Countries in Organizing the Production of New Types of Color Television Sets, which should make a weighty contribution to the solution of the problem of meeting the consumer demand for these items. Plans exist to implement specialization and co-production as regards new generations of color television apparatus and equipment with a broader range of qualities desired by consumers and with technological parameters meeting the requirement of the world level.

The parties and governments of CEMA member countries regard the supply of foodstuffs to the population and the develoment of the entire integrated agrarian-industrial complex as being among the most important tasks for a steady improvement in the welfare of their nations.

This is shiningly manifested by the grandiose USSR Food Program for the Period Until 1990, adopted by the May (1982) Plenum of the CPSU Central Committee. As pointed out in the newspaper MADYAR HIRLAP, "...the economic, scientific and technological potential of the USSR assures the implementation of this grandiose program." The Program will be of tremendous political, social and economic importance and contribute to the implementation of a complex whole of measures to further improve the material welfare of the Soviet nation, and not only the Soviet nation at that.

CEMA agencies are drafting a complex whole of measures for cooperation in this field which deeply affect many branches of the national economy and require substantial capital outlays.

In view of the great scale and complexity of this problem,and with the object of expediting the conduct of the intended measures, the Session resolved to assign a special place in the agenda of the 37th Session to the consideration of these measures.

With each year, with each new stage in the development of productive forces, the integration of the economies of our countries is deepening and broadening and the mechanism of their cooperation is becoming more refined. A special role in this connection is played by the coordination of the national economic plans of CEMA member countries, which is intended to determine and agree upon the main directions of cooperation for the period ahead and to solve problems common to all the countries. These objective requirements are met by the program for the coordination of 1986-1990 plans as examined and approved by the Session of the Council.

This program provides for new elements in the coordination of the state national-economic plans of CEMA member countries--the coordination of the economic, scientific and technological policies of these countries, especially as regards the

development of interrelated subsectors; the coordination of capital investments in particular fields and facilities; and the joint solution of scientific and technological problems, with the cooperation encompassing the entire science-technology-production-marketing cycle. This program meets the requirements for the application of up-to-date equipment and technologies, the development of energy- and materials-conserving technologies and the expansion of international production specialization and co-production. Given the huge scale of economic growth and the depth of the economic ties attained so far, this program should promote a vigorous and balanced growth and intensification of the national economies of member countries and the implementation of the party's course toward improving the welfare of the people.

Thus while at the previous 35th Session of CEMA the coordination of plans for the 1981-1985 period was assessed and the work to conclude long-range trade agreements for the current five-year plan finalized, at the present 36th Session the common goals, directions and organizational principles of the coordination of plans for the next five-year period, 1986-1990, have been determined well in advance. All this is a concrete expression of the continuity of the process of the coordination of plans, the continuity, from one five-year period to another, of the goals and purposes of the coordination of plans, and the planned nature of the implementation of the general strategic course toward strengthening socialist economic integration.

The program provides, as in the past, for giving aid to the Socialist Republic of Vietnam, the Republic of Cuba and the Mongolian People's Republic in accelerating the development and increasing the effectiveness of their economies, science and technology; for maximally incorporating them in the system of the international socialist division of labor and developing other effective forms of cooperation; and for giving these countries preferential terms of cooperation pursuant to the provisions of the Comprehensive Program.

All this is a bright manifestation of practical socialist internationalism.

The work of the Session proceeded with the participation of the Socialist Federated Republic of Yugoslavia, with which CEMA cooperates on the basis of an agreement. This cooperation is developing satisfactorily and to mutual advantage, as pointed out at the Session by the head of the Yugoslav delegation.

Delegations from the following countries took part in the work of the 36th CEMA Session in the capacity of invited observers: People's Republic of Angola, Democratic Republic of Afghanistan, People's Democratic Republic of Yemen, Lao People's Democratic Republic, People's Republic of Mozambique and Socialist Ethiopia. The presence of the delegations of these countries at the Session is testimony to the firm alliance betweeen the countries of the socialist community and the young national states which have entered upon the socialist path of development CEMA member countries actively cooperate with these countries and provide them with aid and support in accomplishing national-economic tasks and developing and strengthening their independent national economies.

At the Session emphasis was placed on strengthening economic, scientific and technical cooperation with the countries orienting themselves toward the socialist path of development and desiring closer relations with the Council.

CEMA member countries follow a consistent course toward supporting the developing countries in the struggle against the neocolonialist policies of the imperialist states, broadening cooperation on equal rights and to mutual advantage with the developing countries and supporting these countries in their struggle to re-structure economic relations on a democratic and just basis.

CEMA member countries engage in multilateral cooperation with 92 developing countries which they provide with economic, scientific and technical aid intended chiefly to strengthen the state sector of their economies, develop their natural wealth, improve their public health and train their manpower.

CEMA member countries contribute greatly to the common effort of these countries to solve worldwide problems of meeting the demand for energy and raw materials, investigating the resources of the oceans, conquering outer space and protecting the environment. They struggle actively for detente and the prevention of the nuclear war threatening all mankind.

It was pointed out at the Session that the successful,crisis-free development of CEMA member countries, the steady growth of their economic potential and the rise in the material and cultural living standards of their peoples are important not only to the countries of our Community but also, in a stabilizing sense, to the entire mankind, to strengthening peace and social progress.

In conclusion, let me note that the Session took place in an atmosphere of mutual understanding, goodwill, unanimity and comradely and practical activity.

The delegations participating in the work of this high forum of CEMA have expressed ardent gratitude to the Central Committee of the Hungarian Socialist Workers' Party and personally to comrade Janos Kadar, First Secretary of the HSWP Central Committee, as well as to the government of the Hungarian People's Republic headed by comrade Dyerd Lazar, the chairman of the CEMA Session, and also to Jozsef Marjai, Deputy Chairman of the HPR Council of Ministers. Gratitude was expressed as well to the entire Hungarian nation, to the inhabitants of Budapest, for cordial and warm hospitality, and best wishes for continuing accomplishments and prosperity were conveyed.

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TRANSFERABLE RUBLE'S ROLE IN CEMA TRADE EXAMINED

Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 9, Sep 82 pp 68-72

[Article by Prof Yuriy Konstantinov, section head of the CEMA Secretariat: "The Transferable Ruble in the System of Economic Collaboration Between the CEMA Member Nations:*]

[Text] Transferability and Convertibility of Foreign Exchange

A multilateral system of payment using the transferable ruble is based upon the monetary functions of this currency. Technically, all the calculations in the collective currency are made by transferring funds from an account of one nation at the MBES [International Bank for Economic Collaboration] to the account of another. Hence the name of the currency, the "transferable ruble." But its actual transferability is caused not by the name. The transferable ruble is a means for multilateral monetary payments and they are based on the principle of the transferability of foreign exchange. This means the right and possibility of each nation to freely utilize the funds belonging to it to make payments to any other nation participating in the system of multilateral payments.

The realization of this right can be conceived of in the following manner: Hungary, for example, has delivered Ikarus buses to Poland. With the funds earned the Hungarian foreign trade organizations may purchase machine tools in Czechoslovakia. At the same time, the Czechoslovak partners, having received the transferable rubles, can purchase sugar in Cuba using them, while Cuba, in turn, may make purchases in Hungary. Thus, the actual transferability of the currency is achieved. From the standpoint of the payment techniques, the MBES in the given instance transferred the funds from the accounts of some nations to the accounts of others.

The concept of a "convertible ruble" differs from the concept of a "transferable ruble." Convertibility means the possibility of exchanging money received as a result of trade, nontrade and other operations expressed in one

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* Completion of article. For the start, see: EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV, No 1, 1982.

currency for equivalent amounts in other currencies. With a multilateral system of payments in a collective currency, along with its transferability, there is also its convertibility into the national currencies of the CEMA member nations. Thus, if the Bulgarian Foreign Trade Bank has received a certain amount of transferable rubles from the Polish Bank Handlowy through the MBES as a payment for Bulgarian exports, it pays the exporter of its nation (the foreign trade enterprise) the equivalent amount in leva. In turn, the Polish Bank Handlowy demands from the importer of its nation the equivalent amount in Polish zloty. The exchange rates at which the transferable rubles are converted into the national currencies for such payments are set by the CEMA nation central banks.

Along with such a form of convertibility for the transferable ruble in the area of foreign trade, there is also a definite form of its convertibility in the sphere of nontrade circulation involving the maintaining overseas of official agencies, the development of scientific and cultural ties, tourism and so forth. In the given sphere within set limits both the national currencies of the CEMA nations and their collective currency, the transferable ruble, are convertible. Any member nation of the MBES, in having transferable rubles on a current account in this bank, can at the existing exchange rates convert them into the necessary national currency be it leva, forints, marks and so forth. These, in turn, can be sold to the citizens of the given nation, for example, for a tourist trip. Conversely, the balance of unspent funds in a national currency can be exchanged by the corresponding bank at the MBES for transferable rubles in the aim of acquiring goods through foreign trade channels.

In what other specific forms and spheres of mutual cooperation between the CEMA member nations is it advisable to use the convertibility of the transferable ruble into the national currencies and their reciprocal convertibility into one another? This question has yet to be studied. Such a task has been set by the Comprehensive Program for Socialist Economic Integration. Here a widening of the area where the convertibility of the socialist currencies is employed is not an end in itself. It should be a means for resolving definite economic problems posed primarily by the development requirements of mutual economic, scientific-technical and cultural cooperation between the CEMA member nations. These include, for example, the tasks related to further improving commodity-monetary relations of the CEMA nations, the planned broadening and deepening of their production ties, increased efficiency of social production and labor productivity and the development of interstate production specialization and cooperation.

Whatever the forms of cooperation covered by the convertibility of currencies of the CEMA member nations, in all instances this remains the convertibility of a particular, socialist type, that is, it can be carried out only on a planned basis corresponding to the nature of the socialist economy and the foreign trade and currency monopoly. Such convertibility should not have an independent controlling effect on the foreign exchange, trade and production relations as occurs in an unplanned market economy. The convertibility of a socialist currency must not weaken, but rather strengthen the role of the planned leadership of the economy and the planned development of economic cooperation.

The Essence of a Multilateral System of Payments

It is sometimes said that under the existing economic conditions for the functioning of a system of multilateral payments in transferable rubles, in essence they are not such, for bilateral payments prevail. This is wrong. A multilateral system of payments is a system the participants in which are many parties and not the two or three parties as was the case previously with bi- and trilateral clearing operations. Within the current system all payment are multilateral and cannot be any other. At present, the system has ten CEMA member nations or ten parties. For this reason, when one speaks about broadening the multilateral system of payments, one has in mind an increased number of participants and nothing else.

The concept of the "balancing of payments" must be differentiated from the concept of "widening the system of payments." With a multilateral system of payments, their balancing is possible both on a multilateral and bilateral basis. The degree of multilateral balancing of payments can be high and low. But this depends not on the system, but rather upon certain prerequisites for cooperation among the CEMA member nations, primarily in the area of material production and foreign trade.

The principle of multilateral balancing of trade deliveries and payments underlies the current system of payments in transferable rubles. In concluding trade and other economic agreements, each nation which participates in the system ensures a balance over a certain period (up to 3 years) with not each individual nation, but rather with all the others taken together. This makes it possible for the given member nation to have a positive balance with one partner and a negative one with another. But as a whole, over a certain period of time the payments even out, that is, they balance. From this stems the essence of the concept of "balancing." Here one portion of the payments is evened out on a bilateral basis while another, in going beyond bilateral relationships, forms a positive or negative balance, that is, the receipts exceed payments or, conversely, payments exceed receipts. Then they are evened out on a multilateral basis.

The bilateral balancing of payments far from always, as is assumed at times, is a drawback of foreign exchange cooperation. In a number of instances it is caused by an objective economic necessity expressing the fact that the economies of the two partners complement each other. One nation, for example, delivers the raw materials while the other receives machinery and equipment in exchange [sic.]. Thus, the economies of these nations are adapted to each other. This is why it is possible to consider a situation as normal when a basic portion of their trade and, consequently, their payments is based on a bilateral foundation.

In this regard, there is no reason to set the task of eliminating such bilateralism. It can play a negative role, for example, when the balancing of trade is achieved by cutting back on the exports of goods needed for the other nation in order to even out trade relations. Although the goods are needed by the partner's national economy, if the other nation cannot receive the corresponding goods from it, it curtails its exports. This is an artificial method of

balancing which is considered economically unjustified from the viewpoint of developing the integration process. Hence, the task of seeking out opportunities for broadening the multilateral balancing of trade and payments, using the multilateral system of payments.

For now the proportional amount of balancing payments on a multilateral basis for the MBES as a whole is not high. This is due to the fact that there have been rapidly growing needs for the CEMA member nations to import scarce commodities, primarily energy and raw material ones. With the scarcity of the designated and certain other commodity groups, the trade partners endeavor to exchange them for equally scarce import goods. As a result, in a number of instances, an equilibrium is reached in exchanging export and import goods which are considered scarce.

For this reason, the basic prerequisite for broadening the balancing of payments on a multilateral basis is a further increase in the capacity of the international market of the CEMA member nations, an increased amount and improved quality of the goods. The main path to this is to develop interstate production specialization and cooperation and in this area much has already been done.

In accord with the decisions of the congresses of the communist and workers parties and the CEMA bodies and, in particular, the decisions adopted at the 35th CEMA Session in July 1981, measures are being implemented to further deepen interstate production specialization and cooperation. One of the important measures will be to develop direct ties in the sphere of production cooperation. This conforms to the basic areas of economic and social development for the national economy of the CEMA member nations in 1981-1985 and for the period up to 1990. The task has been set of improving direct ties between the sectorial ministries, the production associations and enterprises involved in cooperation.

Along with the prerequisites and measures in the sphere of material production and also the planning activities and foreign trade which are crucial to multilateral balancing of trade and payments between the CEMA member nations, it is also important to carry out the appropriate measures directly in the sphere of foreign exchange and credit relations. In particular, it is essential to strengthen and reinforce the role of the transferable ruble and to further improve the payment and crediting system based on it. Here it is not a question of a fundamental reform. As a whole, the given system makes it possible to continuously and promptly make all payments related to trade, services, non-trade payments, short- and long-term credits and certain other operations agreed upon between the CEMA nations. It can also make payments in broadening the multilateral balancing of their mutual trade.

The dynamics of the MBES payment mechanism can be judged from the indicators of its functioning over the years of implementing the Comprehensive Program (see the table on the next page).

As a total in 1964-1981, the volume of reciprocal payments between the CEMA nations in the collective currency reached 1,104.2 billion transferable rubles,

Year	Volume of Mutual Payments	
	Billion transferable rubles	%
1970	35.4	100
1971	39.3	111
1972	43.3	122
1973	47.4	134
1974	52.6	149
1975	66.9	189
1976	82.5	233
1977	94.7	268
1978	106.0	299
1979	114.0	322
1980	122.9	347
1981	140.2	396

that is, it exceeded 1 trillion. In 1981, 93.4 percent of all the payments by the member nations in transferable rubles was due to payments related to trade.

The Credit Mechanism

The multilateral system of payments in transferable rubles has been so arranged that it does not allow the possibility of unsettled monetary payments between the participating nations for actual deliveries of goods and for services rendered, if, of course, the bills have been correctly drawn up and promptly presented to the payers through the MBES. If free funds are lacking on the current accounts of the importers, the MBES extends a credit in transferable rubles.

This is a credit of two types: term and payment. The first of them is the basic and planned type of credit. It is called term because it is provided for fixed terms of time within a limit of up to a year and, in individual instances (upon a decision of the bank's Council) for up to 2 or 3 years. It is considered the basic one because it is directly tied to the mechanism for controlling the reciprocal economic relations of the CEMA nations. Precisely this makes it possible to permit an exceeding of exports over imports. This creates conditions for the development of foreign trade without adhering in each specific instance to the formula that exports should equal imports. Thus, the borrower gains an opportunity to more effectively maneuver the resources.

Term credit is called planned because the demand for it is planned. The total amount is the direct result of the planned balancing of economic relations between the nations and this is achieved as a result of coordinating their national economic plans. With the aid of this type of credit, planned measures are carried out requiring relatively extended times, for example, for production specialization and cooperation and for expanding trade, providing an opportunity for the nation to import goods from other nations for an amount exceeding the total of its own exports.

A payment credit operates as an additional element which gives definite elasticity to the crediting system. This is provided to cover short-term needs caused by a temporary discrepancy between receipts and payments in the payment process. Hence its name, payment. This credit has a "revolving" nature, that is, within the set limit it is provided immediately as needed. In 1981, the proportional amount of payment credit in the total amount of credits granted by the MBES was 70.4 percent.

A payment credit is repaid by funds which are formed in the current account of the authorized borrower bank, when its receipts exceed the payments. For this reason the repayment time for such credit is not set. The liability for it can be carried over to the next year. Ordinarily, it is repaid within 25-30 days as an average. In 1978, the average time for repaying it was 22 days, 23 days in 1979, 21 in 1980 and 20 days in 1981.

Interest rates for all types of credits in transferable rubles are differentiated by the MBES depending upon the types and terms of the credits as an average within the limits of from 2 to 5 percent per annum. These rates are significantly lower than those current on the international foreign exchange markets for credits for analogous terms in the currencies of the capitalist nations.

In accord with the Comprehensive Program for Socialist Economic Integration and the decisions of the CEMA Session, preferential interest rates have been employed for Mongolia, Cuba and Vietnam which have seasonal type exports. For Mongolia and Vietnam, the rate is 0.5-1 percent per annum and for Cuba 0.5-2 percent. The credit benefits and advantages provided to the industrially less developed nations serve as an additional means for improving the economy and help to gradually bring together and even out their economic development levels. In 1981, in the total amount of credits granted by the MBES, the share of credits to Vietnam, Cuba and Mongolia at reduced interest rates increased.

Over the years that the MBES has been active, all the authorized banks at various times and in various amounts have turned to the collective credit institution for loans and the MBES has fully satisfied them. In the total amount of payments in the collective currency by the authorized banks credited in the MBES in 1980, the proportional amount of credits averaged 13.8 percent. For individual nations with a high level of exports for seasonally produced and sold commodities, the share of MBES credits exceeded 40 percent. The volume of credits issued by the bank has increased from 1.5 billion transferable rubles in 1964 to 11.7 billion in 1981, or by 7.8-fold.

Since the start of the 1970's, the transferable ruble has "crossed" the boundaries of foreign trade relations and has now been extended to the capital investment sphere. This shows a further rise in its role. From 1 January 1971, the international investment bank (MIB) began its operations and its chartered capital is over 1 billion transferable rubles and is 70 percent formed directly in the collective currency. In 1981, there was an increase in the total and proportional amount of credits granted by the MIB in transferable rubles.

Over the entire period of activity, from 1971 through the present, the MIB has accepted for crediting 81 projects with an estimated value of over 9.6 billion transferable rubles. In 1971-1981, 51 projects were put into operation. The value of commodity exports from projects credited by the bank was 2.8 billion transferable rubles. As a total over the period of the bank's activities, the CEMA nations have received a total of around 11 billion transferable rubles worth of finished products from these projects. Among the export commodities are raw materials, fuel, trucks, buses, machinery and equipment, chemical products, textiles and so forth. The export of goods from credited projects has also increased to the industrially developed capitalist and developing nations.

In the aim of assisting in leveling out the economic development levels in the previously backward nations, the MIB, like the MBES, has granted them credits in transferable rubles under easy conditions. Thus, for Mongolia, an interest rate has been set for the credit on a level of 1.5 percent and for Cuba it is 2 percent.

There is a cooperation agreement between the MIB and the Yugoslav government. On the basis of this agreement, the bank has provided credit to expand and modernize the Tang Tool Plant in Nova Gradiska in Yugoslavia. This is the first credit provided by the MIB to a nation which is not a member. The modernization of the plant which produces sets of tools for passenger cars is being carried out using equipment, machinery and mechanisms basically delivered from the CEMA nations. As a result of reconstruction, the volume of product output at the Tang Plant will rise by more than double while export deliveries will increase by more than 7-fold. In line with the obtaining of a credit from the MIB, the Yugoslav National Bank in 1981 began to make payments through the MBES in transferable rubles. This will assist in the developing of Yugoslav foreign economic ties with the CEMA nations as well as expanding the sphere where the transferable ruble is employed beyond them.

Results and Tasks

The transferable ruble has now been functioning for more than 18 years. Over this time the CEMA nations and the CEMA bodies have constantly adopted measures helping to consistently increase its role in mutual economic cooperation. These measures are one of the priority areas for the activities of the Permanent CEMA Commission for Currency and Financial Questions. A great deal of attention is also given to them by the councils and boards of the MBES and MIB. As a result of carrying out the designated measures, the role of the transferable ruble has risen. As was pointed out by the CEMA Executive Committee (97th Session), in the given currency a system of payments, short-, medium- and long-term crediting through the MBES and MIB continues to develop.

At the same time it cannot be said that everything is going smoothly, without a hitch in the functioning of the transferable ruble. Of course, there are both problems and individual unsettled tasks, in particular, those related to the commodity collateral for certain assets in transferable rubles and broadening the practice of balancing payments on a multilateral basis.

For eliminating these problems it is essential that cooperation in the foreign exchange sphere be even more closely linked to all the other forms of cooperation among the CEMA nations, and primarily to such a crucial one as planning activities. It is essential to strengthen the planned use of the transferable ruble. It is important that it to an ever-greater degree becomes not only an instrument, but also an object of planning as this conforms to its economic nature.

At present, in the CEMA bodies, measures are being taken so that the functioning mechanism of the transferable ruble has an evermore effective impact on carrying out the key tasks of economic and scientific-technical collaboration among the CEMA nations, on their carrying out of mutual obligations and on the prompt and continuous supply of monetary and material resources for the joint large-scale projects and tasks stemming from the long-term specific programs. Their fulfillment is an important factor in the further socioeconomic development of the CEMA nations in the directions indicated at the congresses of the fraternal parties.

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